

AN EMPIRICAL ANALYSIS OF THE IMPACT OF CURRENT RATIO AND DEBT-TO-EQUITY RATIO ON RETURN ON ASSETS: EVIDENCE FROM PT BEKASI FAJAR INDUSTRIAL ESTATE TBK (2022-2024)

Bagus Yohan Irnando¹, Febrian Eko Saputra²

^{1,2}Universitas Teknokrat Indonesia, Lampung, Indonesia

Email: bagusyohanirmando@teknokrat.ac.id

Abstract

This research investigates the relationship between the Current Ratio (CR), Debt-to-Equity Ratio (DER), and Return on Assets (ROA) at PT Bekasi Fajar Industrial Estate Tbk throughout the 2022–2024 period. The study was motivated by post-pandemic financial performance fluctuations that emphasize the necessity of assessing liquidity and capital structure to determine their impact on profitability. A quantitative approach was applied using multiple linear regression analysis. The dataset comprised secondary information drawn from the company's annual financial statements, which were retrieved from the official website of the Indonesia Stock Exchange (IDX). The findings reveal that the significance values of the Current Ratio (0.696) and the Debt-to-Equity Ratio (0.390) exceeded the 0.05 threshold, implying that neither variable individually affects Return on Assets (ROA) in a statistically significant manner. The F-test result of 0.581 (>0.05) indicates that both variables collectively exert no significant influence on ROA. The coefficient of determination (R^2) value of 0.114 suggests that these two independent variables jointly explain only 11.4% of the variation in ROA, while the remaining 88.6% is attributed to other factors not examined in this study.

Keywords: *Current Ratio, Debt to Equity Ratio, Return on Assets, Profitability, PT Bekasi Fajar Industrial Estate Tbk.*

A. INTRODUCTION

Industrial zones hold a pivotal position in fostering regional economic development and attracting sustainable investment growth in Indonesia. The post-pandemic macroeconomic conditions and fluctuating demand for industrial land have affected the financial performance stability of industrial estate companies. PT Bekasi Fajar Industrial Estate Tbk (BEST) stands as one of the foremost developers of industrial zones in Indonesia, recognized for its significant contribution to the country's industrial infrastructure and investment landscape located in Bekasi, West Java. In 2022, the company recorded a net profit of IDR 33.7 billion after suffering losses in 2021, and this figure increased to IDR 39.5 billion in 2023. Nevertheless, the profitability level remains relatively low compared to its substantial total assets, indicating that the efficiency of asset utilization has not yet reached an optimal level.

The decline in industrial land demand may suppress cash inflows, thereby affecting the firm's liquidity position, as represented by the Current Ratio (CR) metric. The substantial capital requirements for estate development are often financed through debt, which increases the Debt-to-Equity Ratio (DER) represents the company's financial leverage. An imbalance between declining liquidity and an expanding capital structure can adversely affect the Return on Assets (ROA), which serves as a key measure of how efficiently a firm utilizes its assets to generate earnings. In light of these circumstances, this research seeks to examine the extent to which the Current Ratio (CR) and Debt-to-Equity Ratio (DER) influence the Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk during the 2022–2024 period.

The Current Ratio (CR) illustrates a firm's capacity to fulfill its short-term liabilities through the utilization of current assets. As highlighted by Utomo and Pungky et al. (2020), this indicator holds particular importance for PT Bekasi Fajar Industrial Estate Tbk (BEST), given the company's role as an industrial estate developer that requires maintaining strong liquidity to sustain operational activities, financial stability and development activities require a stable cash flow. During the 2022–2024 period, fluctuations in land sales and macroeconomic conditions influenced the company's liquidity. A decline in the Current Ratio (CR) signifies a weakening capacity to meet short-term obligations, which could negatively influence the firm's profitability as reflected by the Return on Assets (ROA).

The Debt-to-Equity Ratio (DER) represents the comparison between a firm's total liabilities and its shareholders' equity, illustrating the extent to which the company relies on debt financing relative to its own capital. Kasmir (2021) highlights that a high debt ratio reflects greater dependence on external funding, while Silalahi and Silalahi (2020) emphasize that debt financing generates fixed interest expenses that may burden profitability. For PT Bekasi Fajar Industrial Estate Tbk (BEST), the DER is a critical indicator since the financing of industrial estate projects often relies heavily on borrowed funds. A high DER may increase financial risk and suppress net income. Examining The Debt-to-Equity Ratio (DER) plays a vital role in analyzing how effectively a company manages its financing decisions and balances between debt obligations and shareholders' equity capital structure influences its asset efficiency.

According to Sudana, as cited in Anisya et al. (2021), the Return on Assets (ROA) is utilized by management as a key indicator to evaluate how efficiently the company employs its assets to generate earnings and efficiency of asset utilization in generating profit. At PT Bekasi Fajar Industrial Estate Tbk, although net profit increased during 2022–2023, the ROA remained relatively low compared to total assets, indicating that the company's assets have not yet been optimally utilized. Therefore, this study investigates the impact of the Current Ratio (CR) and Debt-to-Equity Ratio (DER) on the Return on Assets (ROA) to assess the firm's efficiency in managing its assets over the specified period 2022–2024 period.

PT Bekasi Fajar Industrial Estate Tbk is among the industrial estate development companies publicly listed on the Indonesia Stock Exchange (IDX), engaged in the provision of industrial land and its supporting facilities. The company operates in a fluctuating market environment, primarily influenced by changes in manufacturing demand and investment policies in Indonesia. Under such conditions, maintaining sound financial performance requires careful emphasis on maintaining liquidity levels and capital structure, as both directly affect the company's ability to generate profits. Apriadi (2022) notes that efficiency and effective resource management are crucial factors for sustaining profitability and long-term business viability. Hence, analyzing financial ratios particularly the Current Ratio (CR) and Debt to Equity Ratio (DER) is essential to determine the firm's ability to fulfill short-term liabilities and to evaluate how efficiently its capital is employed in generating returns earnings.

Table 1. Data on Debt to Equity Ratio (DER), Current Ratio (CR), and Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk in 2022

Quarter	CR	DER	ROA
Q1	410%	43%	0.2%
Q2	561%	35%	2%
Q3	1058%	38%	2%
Q4	924%	40%	1%

Source: Processed Secondary Data, 2025.

In 2022, the Current Ratio (CR) of PT Bekasi Fajar Industrial Estate Tbk exhibited an upward trend, rising from 410% in Q1 to its peak of 1,058% in Q3, before declining slightly to 924% in Q4. This trend indicates that the company maintained a strong level of liquidity, although the exceptionally high ratio may also suggest an excess of current assets that were not

optimally utilized. The Debt to Equity Ratio (DER) remained relatively stable at a low range of 35%–43%, reflecting a healthy capital structure and a low level of financial risk. Meanwhile, the Return on Assets (ROA) increased from 0.2% at the beginning of the year to 2% by mid-year, before decreasing to 1% at the end of the year indicating fluctuations in the firm's effectiveness in generating earnings through the utilization of its assets. PT Bekasi Fajar Industrial Estate Tbk demonstrated a strong and stable liquidity position; however, its profitability still requires improvement to achieve optimal financial performance.

Table 2. Data on Debt to Equity Ratio (DER), Current Ratio (CR), and Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk in 2023

Quarter	CR	DER	ROA
Q1	977%	37%	2%
Q2	1052%	35%	2%
Q3	1033%	35%	2%
Q4	1003%	36%	1%

Source: Processed Secondary Data, 2025.

Table 3. Data on Debt to Equity Ratio (DER), Current Ratio (CR), and Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk in 2024

Quarter	CR	DER	ROA
Q1	1100%	34%	-0.2%
Q2	958%	34%	0.2%
Q3	1054%	32%	1%
Q4	992%	32%	1%

Source: Processed Secondary Data, 2025.

Based on these considerations, this research seeks to analyze the influence of the Current Ratio (CR) and Debt-to-Equity Ratio (DER) on the Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk during the 2022–2024 period.

B. LITERATURE REVIEW

1. Debt to Equity Ratio (DER)

The Debt-to-Equity Ratio (DER) illustrates the extent to which a firm utilizes debt financing relative to the amount of shareholders' equity it possesses. A high DER indicates that the company carries a substantial debt burden, which may increase financial risk due to the obligation to pay interest and long-term liabilities.

According to Ferli et al. (2023), an excessively high DER can reduce profitability since capital utilization becomes less efficient and the probability of default rises. Conversely, a balanced capital structure reflected in an optimal DER can enhance the firm's overall financial condition and performance.

The Debt-to-Equity Ratio (DER) is determined through the following computation formula:

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}} \times 100$$

2. Current Ratio (CR)

The Current Ratio (CR) serves as a fundamental indicator of a firm's liquidity, demonstrating its capacity to fulfill short-term liabilities using available current assets. Ramadhan and Larasati (2022) emphasized that the CR exerts a positive impact on Return on Assets (ROA). This implies that an increase in a firm's liquidity level enhances its capability to generate earnings from the utilization of its assets.

This finding aligns through the use of liquidity theory, which emphasizes that effective cash management supports the smooth and optimal operation of a business. However, A study

conducted by Deri Apriadi et al. (2024) found that financial factors exert a significant influence on corporate performance ratios on profit growth may vary across different industrial sectors. In the mining sector, for instance, the CR and Net Profit Margin were found to have no significant effect on profit growth, whereas the DER showed an influence that was statistically insignificant.

The Current Ratio (CR) is determined through the application of the following calculation formula:

$$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100$$

3. Return on Assets (ROA)

The Return on Assets (ROA) serves as a principal profitability indicator employed to assess the degree to which a company can generate earnings from its total assets which a company can generate net income from its total assets. This ratio demonstrates the firm's effectiveness in utilizing its asset resources to generate income profit. A higher ROA indicates greater effectiveness in employing assets to generate returns earnings, signifying a healthier financial position (Di et al., 2024). Moreover, ROA is considered an essential indicator in investment decision-making, as it reflects a company's operational efficiency and growth prospects. Ferli et al. (2023) discovered that Return on Assets (ROA) is positively associated with firm value, suggesting that an improvement in ROA strengthens investor confidence regarding the company's prospective performance potential. Therefore, ROA functions as an essential indicator in signaling theory, attracting the interest of investors and shareholders.

Apriadi et al. (2024) further revealed that institutional ownership has a significant positive influence on corporate financial performance, while intellectual capital was found to strengthen this relationship. These findings support the view that external factors such as ownership structure and intellectual capital contribute to a company's profitability performance, including their influence on ROA.

The Return on Assets (ROA) is determined through the application of the following calculation formula:

$$ROA = \frac{\text{Net Income}}{\text{Total Assets}} \times 100$$

Based on the aforementioned discussion, the objective of the objective of this research is to examine the influence of the Debt-to-Equity Ratio (DER) and Current Ratio (CR) on the Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk during the 2022–2024 period. This research adopts a quantitative methodology by utilizing secondary data derived from the company's annual financial reports published on the Indonesia Stock Exchange (IDX). To analyze the relationship among the examined variables, this study employs a multiple linear regression technique. The results are anticipated to enrich the existing body of financial literature and provide valuable insights for management and investors in their decision-making processes related to financial and investment strategies within the property and industrial estate sectors (Ferli et al., 2023).

4. Hypotheses

The hypothesis in this study is as follows:

H¹: The Debt to Equity Ratio (DER) has a negative effect on the Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk.

H₂: The Current Ratio (CR) has a positive effect on the Return on Assets (ROA) of PT Bekasi Fajar Industrial Estate Tbk.

C. METHOD

This research adopts a quantitative approach that focuses on the objective assessment of social and financial phenomena using numerical data and statistical techniques. As noted by Sugiyono (2018), the quantitative method is applied to investigate a defined population or sample, wherein data collection is carried out through structured research instruments, and the obtained data are analyzed statistically to verify predetermined hypotheses. This approach was selected because it is suitable for measuring the relationships among numerically expressed variables and enables the researcher to perform statistical hypothesis testing.

The current research utilizes an associative design intended to determine the relationship and influence between two independent variables Debt-to-Equity Ratio (DER) and Current Ratio (CR) and a dependent variable, Return on Assets (ROA). The sample employed in this study comprises the quarterly financial statements of PT Bekasi Fajar Industrial Estate Tbk for the specified period 2022–2024 period, comprising a total of 12 observations. Since the entire population data were analyzed, the study employed a census method rather than sampling. The selection of financial statement data as the analytical sample follows prior research, including the study by Ferli et al. (2023), which contends that financial reports serve as a primary source for analyzing financial ratios in assessing corporate profitability performance.

The data utilized in this study are secondary in nature, collected through a documentation method. These data were obtained from the official of the financial statements of PT Bekasi Fajar Industrial Estate Tbk were obtained from the Indonesia Stock Exchange's official website (www.idx.co.id) as well as the company's own website. The dataset comprises the values of the Debt-to-Equity Ratio (DER), Current Ratio (CR), and Return on Assets (ROA) covering the period from 2022 to 2024, all of which have been audited and publicly disclosed, thereby ensuring their validity and reliability for research purposes.

D. RESULT AND DISCUSSION

Table 4. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	.006	.012		.517	.618
CR	.001	.001	.129	.404	.696
DER	.001	.001	.289	.904	.390

The outcome of the multiple linear regression analysis yielded the following equation: $ROA = 0.006 + 0.001(CR) + 0.001(DER)$. This equation indicates that both The Current Ratio (CR) and Debt-to-Equity Ratio (DER) exhibit a positive association with the Return on Assets (ROA). The magnitude of their influence is relatively small. This indicates that an upward change in either the CR or DER leads to a corresponding increase in ROA, but the impact is not statistically significant or substantial in scale. The positive coefficients suggest that improvements in liquidity (CR) and capital structure (DER) may contribute to profitability enhancement, although their effects remain marginal under the company's financial conditions during the observation period.

Table 5. Partial t-Test Results

Model	t	Sig.
(Constant)	.517	.618
CR	.404	.696
DER	.904	.390

The partial t-test results indicate that the significance value for the Current Ratio (CR) is 0.696, while that for the Debt-to-Equity Ratio (DER) is 0.390. Since both values exceed the 0.05 significance threshold, it can be concluded that CR and DER individually do not exert a statistically significant effect on the Return on Assets (ROA). This result implies that the

company's liquidity level, as measured by CR, and its capital structure, as measured by DER, have not yet demonstrated a meaningful influence on profitability.

Table 6. Coefficient of Determination (R² Test)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.337 ^a	.114	-.083	.00869

The coefficient of determination (R²) value of 0.114 reveals that the Current Ratio (CR) and Debt-to-Equity Ratio (DER) collectively account for only 11.4% of the variation in Return on Assets (ROA), whereas the remaining 88.6% is attributed to other factors not included in the model, such as operational efficiency, total asset utilization, or external macroeconomic conditions. The negative Adjusted R Square value (-0.083) further implies that the regression model does not adequately illustrate the association between the independent and dependent variables, reflecting a weak explanatory power of the tested model.

Table 7. Simultaneous F-Test (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.000	2	.000	.578	.581 ^b
Residual	.001	9	.000		
Total	.001	11			

The simultaneous F-test results indicate an F-value of 0.578 with a significance level of 0.581, which exceeds the 0.05 threshold. This finding suggests that the Current Ratio (CR) and Debt-to-Equity Ratio (DER), when evaluated jointly, do not exert a statistically significant influence on the Return on Assets (ROA). In essence, the combined effect of liquidity and capital structure is insufficient to account for the variations in the firm's profitability throughout the observation period.

E. CONCLUSION

Based on the results of this research, it can be inferred that, individually, the Current Ratio (CR) does not exert a significant influence on the Return on Assets (ROA). This outcome implies that the firm's liquidity position is not a major factor in improving profitability. Likewise, the Debt-to-Equity Ratio (DER) demonstrates no significant partial impact on ROA, indicating that adjustments in capital structure have not yet yielded a meaningful effect on the company's capacity to generate earnings from its assets. The simultaneous testing results further reveal that CR and DER jointly have no statistically significant influence on ROA. The combined role of liquidity and capital structure appears insufficient to explain the variations observed in the firm's profitability. The relatively low coefficient of determination (R²) suggests that other variables such as asset utilization efficiency, investment decisions, and broader macroeconomic conditions play a more substantial role in shaping profitability outcomes. PT Bekasi Fajar Industrial Estate Tbk should focus on improving operational efficiency, optimizing asset utilization, and managing financial expenses more effectively to enhance profitability in the future.

REFERENCES

- Apriadi, D. (2022). Analisis Efisiensi Operasional Perusahaan Melalui Pendekatan Full Time Equivalent (FTE). *Jurnal Manajemen dan Akuntansi*, 14(2), 115–127.
- Fahmi, I. (2018). *Analisis Laporan Keuangan*. Bandung: Alfabeta.
- Ferli, A., Sari, D. P., & Rahman, R. (2023). Analisis Pengaruh Rasio Keuangan terhadap Kinerja Profitabilitas pada Perusahaan Digital di Indonesia. *Jurnal Ilmu Keuangan dan Bisnis*, 8(1), 45–56.
- Ghozali, I. (2021). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 26*. Semarang: Badan Penerbit Universitas Diponegoro.
- Harahap, S. S. (2020). *Analisis Kritis atas Laporan Keuangan*. Jakarta: Rajawali Pers.

- Hery. (2019). *Analisis Laporan Keuangan: Pendekatan Rasio Keuangan*. Jakarta: Grasindo.
- Kasmir. (2022). *Analisis Laporan Keuangan (Edisi Revisi)*. Jakarta: RajaGrafindo Persada.
- Munawir, S. (2019). *Analisis Laporan Keuangan*. Yogyakarta: Liberty.
- PT Bekasi Fajar Industrial Estate Tbk. (2022). *Laporan Keuangan Tahunan 2022*. Bursa Efek Indonesia.
- PT Bekasi Fajar Industrial Estate Tbk. (2022–2024). *Laporan Keuangan Tahunan*. Bursa Efek Indonesia.
- PT Bekasi Fajar Industrial Estate Tbk. (2023). *Laporan Keuangan Tahunan 2023*. Bursa Efek Indonesia.
- PT Bekasi Fajar Industrial Estate Tbk. (2024). *Laporan Keuangan Tahunan 2024*. Bursa Efek Indonesia.
- Putri, A. D., & Lestari, P. (2021). Pengaruh Current Ratio dan Debt to Equity Ratio terhadap Return on Assets pada Perusahaan Manufaktur Sektor Industri Barang Konsumsi yang Terdaftar di Bursa Efek Indonesia. *Jurnal Ilmiah Akuntansi dan Keuangan*, 10(2), 123–132.
- Sari, M., & Nurhayati, E. (2020). Pengaruh Rasio Likuiditas dan Leverage terhadap Profitabilitas pada Perusahaan Properti dan Real Estate yang Terdaftar di BEI. *Jurnal Akuntansi Aktual*, 7(3), 155–165.
- Sugiyono. (2022). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.